



Budgets, Scopes, and The Design Process



NPS Construction Program

Management Processes in response to
Congressional Criticism:

“The Committee has strong concerns about the construction program of the NPS. Cost estimates are unreliable; projects expand and become overly expensive with little regard to the budgetary situation; and the priority system is undecipherable.”

- House Report #103-158



Objectives

- Fee Limitations
- National Academy of Public Administration (NAPA)
- Development Advisory Board (DAB)
- Schedules & Budgets
- Funding Cycle



41 U.S.C. 254(b) Statutory Fee Limitation

- The fee for the production of designs, plans, drawings, specifications and cost estimates shall not exceed 6% of the estimated cost of construction
- 6% fee applies to “design services”
- “Non-design services” within a fee proposal exempt



NAPA Fee Limitations

- National Academy of Public Administration
- Study NPS construction program
 - Identify causes of cost-control problems
 - Improve cost-effectiveness and management practices
- June 1998: Original Report
- April 2002: Review Implementation



NAPA Fee Limitations

NAPA	% Net Construction
Supplementary Services	2%
Pre-Design	5%
Design	10%

Percentages applied to overall program



Development Advisory Board (DAB)

- Established in response to 1998 NAPA Report
 - 5 NPS senior managers
 - 5 non-NPS Advisors to the NPS Director
- Review most facility construction projects over \$500K
- Ensure projects are of high quality, incorporate sustainable practices, are appropriate to their settings, and demonstrate defensible cost-conscious decisions focused on cost reduction.



Development Advisory Board (DAB)

- Projects presented at Schematic Design
- Approve scope and budget



Types of Project

- Line Item Construction (LIC)
- Recreational Fee Demonstration (Fee Demo)
- Repair/Rehab
- Partnerships/Donations

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What is a Line Item Construction Project?

Projects that are approved as a line item in the Appropriation Bill

APPROPRIATION/Activity/Subactivity/Element, Project or Area			FY 2001 Enacted	FY 2002 Request
<i>FY 2002 Operating Program Changes from FY 2001 Enacted (Amounts for Both in Italics)</i>				
CONSTRUCTION AND MAJOR MAINTENANCE		<u>Priority/Region</u>		
Line Item Construction and Maintenance				
Abraham Lincoln Library, IL.....	MW		0	0
Acadia NP: Upgrade utilities and campgrounds (See notes on Conf. Rpt. lang.).....	52 NE		0	4,972
Adams Family Memorial, DC (planning) -- See John Adams Presidential Memorial				
Apostle Islands N Lakeshore: Correct utility systems for mainland unit.....	25 MW		0	796
Arches NP: Visitor center planning *	IM		[514]	0
Assateague Island NS:				
Upgrade water treatment plant.....	NE		0	0
Coastal Barrier Island Education Center: Planning and design (Conf.: environmental assessment *) (See notes on Conference Report language).....	NE		0	0
Big Bend NP: Replace sewer and planning *	IM		0	0
Big Cypress N Preserve: Rehabilitate off-road vehicle trails.....	8 SE		0	5,000
Biscayne NP: Structural investigation and stabilization of Stiltsville structures (See notes on Conference Report language).....	54 SE		0	0

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How are line item projects established?

Parks develop Project Information Management System (PMIS) statements based on needs

What is a PMIS statement?

- Scope
- Justification/Benefits
- Cost

How accurate are PMIS statements?

- Usually developed by park staff
- 4 to 5 years prior to construction funding

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How is a project selected for funding?

NPS evaluates all projects using Value Analysis (Choosing-By-Advantages (CBA)).

5-Year Plan developed based on anticipated funding levels.

PARK ALPHA CODE	PMIS #	PKG. #	PARK NAME	PROJECT TITLE	RGN	FY03 GROSS	FY04 GROSS	FY05 GROSS	FY06 GROSS	FY07 GROSS	5-YR PROJECT COST	Cumulative GROSS COST	DOI DM RANK	DOI CBA RANK
PUHO	5478	113	Pu'uhonua o Hōnuaunui NHP	Remove/Replace Administrative Buildings from Archeological Site	P'w		1,063				1,063	419,608	350	543
KAHO	4780	150	Kaloko-Hoosokolu NHP	Protect Hawaiian Artifacts & Related Collections	P'w		1,257				1,257	420,865	330	499
HOCU	1403	242	Hopewell Culture NHP	Stabilize Riverbank at Hopewell Mound Group	M'w		1,008				1,008	421,873	320	671
KLGO	27768	150	Klondike Gold Rush National Historical P	Construct Historic Resource Support Center	AK		710				710	422,583	305	348
ALPO	14873	333	Allegheny Portage Railroad NHS	Construct 6-10 Portage Trace Corridor Trail	NE		1,343				1,343	423,326	300	497
BOHA	16328	002	Boston Harbor Islands NRA	Construct Floating Docks Little Brewster Island	NE		763				763	424,635	190	631
COLO	16663	402	Colonial Parkway & Jamestown NHS	Protect Yorktown Museum Collection	NE		725				725	425,420	130	239
BADL	48573	161	Badlands NP	Lakota Cultural Center	M'w		28,080				28,080	453,500	100	51
LACL	3161	108	Lake Clark NP	Visitor Center and Administrative Offices	AK		3,152				3,152	456,652	100	558
FY 2004 - Other Subtotals							203,194							
FY 2004 Subtotals							247,402							
Fiscal Year 2005 - Ongoing/Completion														
HOSP	56031	150	Hot Springs NP	Rehabilitate Bathhouses for Adaptive Reuse (Completion)	M'w		4,393	7,238			11,631	463,950	340	51
EVER	16547	133	Everglades NP	Modify Water Delivery System (Completion)	SE	13,295	12,390	443			26,728	464,393	680	51
FY 2005 - Ongoing/Completion Subtotals								7,741						
Fiscal Year 2005 - Other														
BIBE	50403	236	Big Bend NP	Treat Drinking Water - Rio Grande Village	IM			1,370			1,370	466,363	1000	1,335
MACA	72027	183	Mammoth Cave National Park	Rehabilitate Cave Trails in Historic, Frozen Niagara, and Lantern Tour Routes	SE		8,629				8,629	474,992	390	660
BOST	16373	300	Boston NHP	Rehabilitate Utility Tunnel and Remove Asbestos, Charlestown Navy Yard	NE			317			317	475,909	380	534
CHIR	77380		Chiricahua National Monument	Rehabilitate Historic Trails to Provide Safe Hiking	IM			7,436			7,436	483,404	380	443
STEA	20234	003	Steamtown National Historic Site	Stabilize of Rail Equipment and Removal of Asbestos	NE			1,082			1,082	484,486	380	416
FFHA	16237	001	Federal Hall NM	Replace Sidewalks & Rehabilitate HVAC Systems	NE			977			977	485,463	365	457

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LIC Funding (NAPA)

Fund Type

Compliance Funding

Compliance

Supplementary Services Funding (2%)

Pre-Design Funding (5%)

Design Funding (10%)

Construction Planning

Gross Construction Funding (118%)

Construction

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LIC Funding (NAPA)

Design Process

Time

Compliance Funding	Compliance	C-3
Supplementary Services Funding (2%)	Supplementary Services	C-2
Pre-Design Funding (5%)	{ Pre-Design Schematic Design	C-2
Design Funding (10%)	{ Design Development Construction Documents	C-1
Gross Construction Funding (118%)	{ Net Construction Construction Contingency Construction Management	C

C = Year of Construction Appropriation



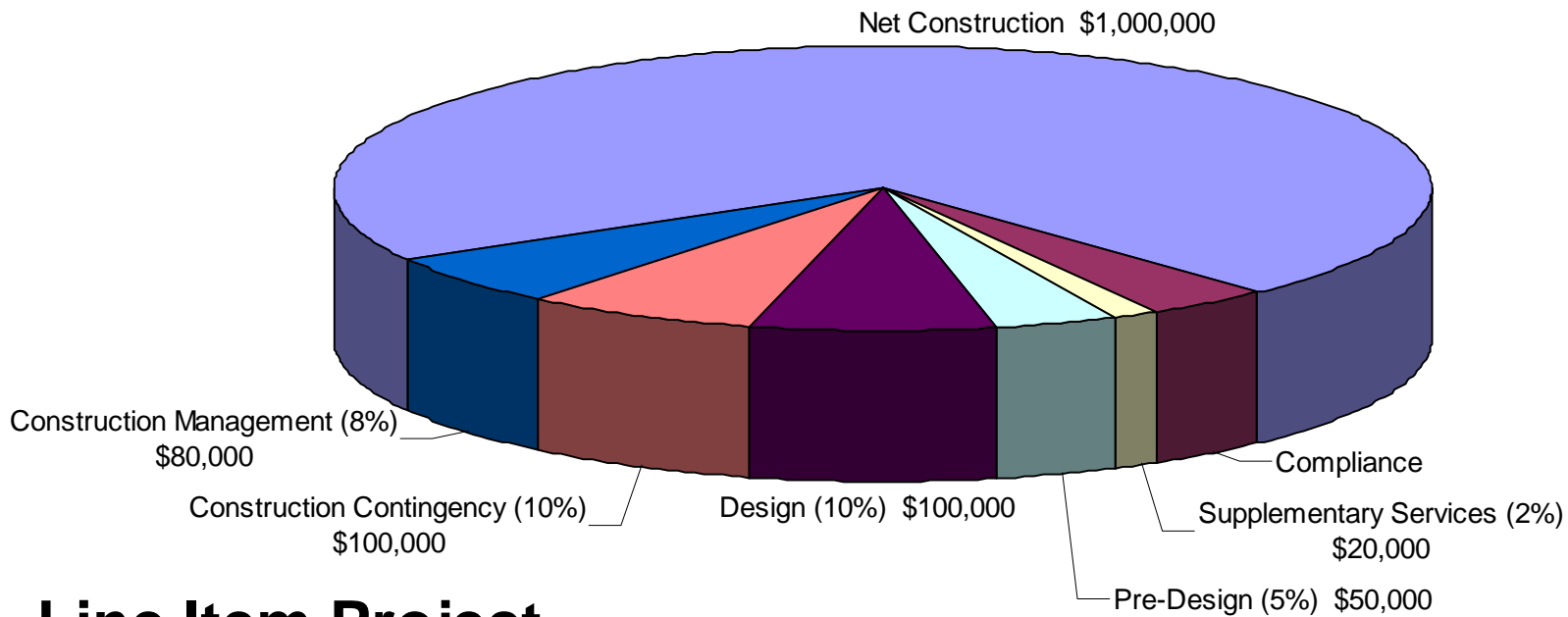
Project Funding Definitions

- **Net Construction** = “Bricks & Mortar”
- **Gross Construction Cost** = Net Construction + Construction Management (8% Net) + Construction Contingency (10% Net) = **118% Net**
- **Total Project Cost** = Gross Construction (118%) + Pre-Design (5%) + Design (10%) + Supplementary Services (2%) = **135% Net**
- Compliance Costs are **NOT** set as % of project cost

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Line Item Project

Net Construction = \$1,000,000

Gross Construction = \$1,180,000

Total Project = \$1,350,000

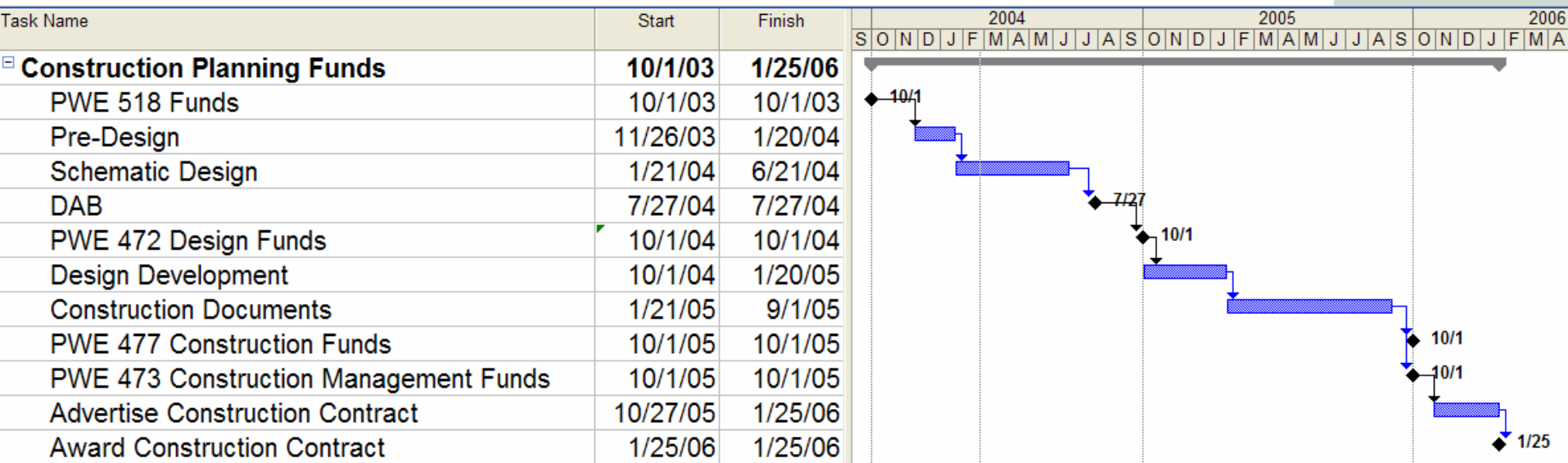
Note: Compliance funded from separate fund source

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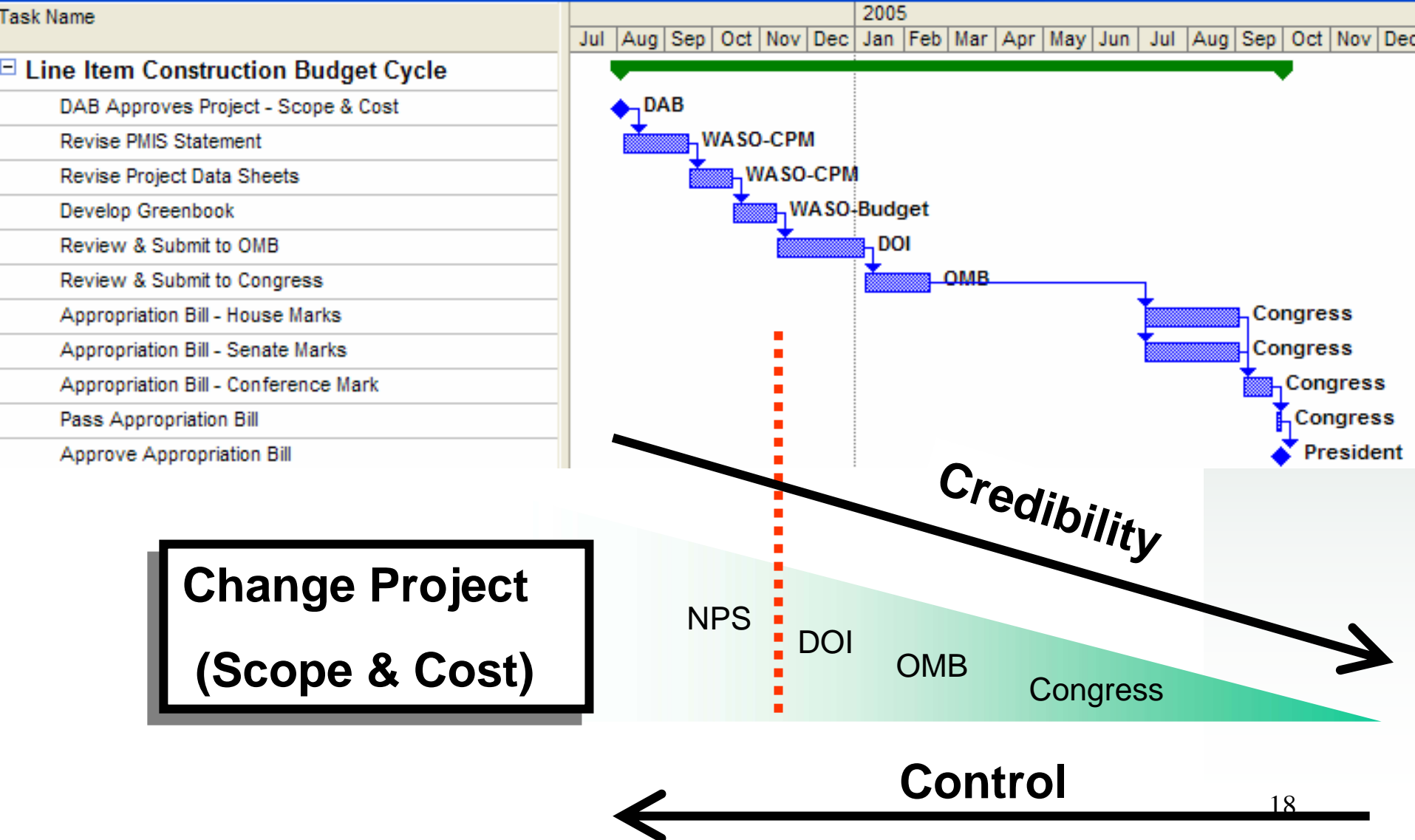


FY06 LINE ITEM PROJECT

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What if you have to change the project scope or cost after the budget is approved?

Reprogramming: request to Congress to change scope and/or cost of a project

- 10% scope
- 10% cost or \$500K whichever is less

AVOID REPROGRAMMING REQUESTS!



Good Budgeting & Scheduling

- Develop a project schedule that meets the budget cycle:
 - DAB approval July 2 years before FY appropriation
 - Obligate construction in FY appropriation
- Maintain milestones
- Maintain budget approved by DAB